

DEPARTMENT OF CORPORATIONSwww.corp.ca.gov**DEMETRIOS A. BOUTRIS****California Corporations Commissioner
Sacramento, California**

IN REPLY REFER TO:

FILE NO: OP 05/01**NOTICE OF PROPOSED FINAL TEXT OF RULES OF
THE COMMISSIONER OF CORPORATIONS UNDER THE**

To Interested Persons:

On February 15, 2002, the California Corporations Commissioner published a Notice of Proposed Changes regarding the proposed amendment of Sections 260.211 and 260.211.1 of the Commissioner's rules under the Corporate Securities Law of 1968 (see California Regulatory Notice Register , No. 2002, 7Z.).

Because the final text of Section 260.211 differs from the text of the regulations dated January 18, 2002, a copy of the final text is being made available to the public in accordance with the requirements of Government Code Section 11346.8(c). The text showing modifications to Section 260.211 is attached. Additions to this section shown by double underlining and deletions are shown by double strike-out. The text of the remaining rule will not be amended further.

REASONS FOR CHANGES

A statement of reasons for the proposed action containing all the information upon which the proposal is based is available from the Office of Law and Legislation, Sacramento Office of the Department of Corporations. Request Document OP 05/01-C. As required by the Administrative Procedure Act, the Office of Law and Legislation maintains a hearing file containing all the information upon which the proposal is based. The rulemaking file is available for public inspection during regular business hours. Comments or inquiries concerning these proposed regulation changes may be directed to Colleen Monahan, Corporations Counsel, at (916) 322-3553.

Notice is also given that any interested person may present statements or arguments relevant to the proposed action by a written communication addressed to the California Corporations Commissioner. Attn: Kathy Womack, Associate Analyst. Office of Law and Legislation. 1515 K Street, Suite 200. Sacramento, California, 95814 and received on or before 5 p.m., August 23, 2002.

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♦ Independent Escrows ♦ Consumer and Commercial Finance Lending ♦ Residential Mortgage Lending ♦

NOTE: The proposed changes to the Commissioner's rules under the Corporate Securities Law of 1968 set forth above and in the attached final text are not yet effective. These regulations will be filed with the Office of Administrative Law on or about September 6, 2002. When it is known whether the changes to the Commissioner's rules will become effective as proposed, and if so, when, the information will be posted on the Department's website (www.corp.ca.gov) and distributed in the same manner as this notice.

Dated: August 7, 2002
Sacramento, California

TIMOTHY L. Le BAS
Deputy Commissioner & General Counsel
Office of Law and Legislation